

## **KENTUCKY DEPARTMENT OF EDUCATION**

### **STAFF NOTE**

#### **Review Item:**

Revision of 702 KAR 7:125, Pupil attendance, to align funding policy to facilitate secondary school reform

#### **Applicable Statute(s) or Regulation(s):**

KRS 157.360, 704 KAR 3:305, 702 KAR 7:125

#### **History/Background:**

***Existing Policy.*** The Kentucky Board of Education (KBE) engaged in a discussion in August about changes to the current funding formula in ways that would reduce the administrative and financial burden associated with flexible programming. Possible funding options and a discussion of the desired elements of a funding formula were presented at the August meeting.

Today, school funding is calculated based on seat-time. District and school administrators frequently cite that fact as a major barrier to moving schools away from the Carnegie Unit. One of the goals of the Refocusing Secondary agenda is to help schools move to a more individualized system of education where a student's progress is based on individual performance rather than being moved through the same curriculum in fixed groups.

The Kentucky Board of Education has approved a policy that allows districts to implement performance-based credit systems and these policies do provide an alternative to seat-time requirements. However, those policies are still considered the exception. Current policy requires districts to notify the department that they have adopted a performance-based plan and to submit policies. The regulation governing minimum high school graduation requirements, 704 KAR 3:305, has been revised and is being presented for review at the October KBE meeting. The proposed revisions to 704 KAR 3:305 provide clearer descriptions of possible ways that students may earn high school credit in addition to the Carnegie Unit.

Daily attendance, or seat-time, is the basis for school funding in Kentucky. KRS 157:360 stipulates that, in determining the cost of the program to support education excellence in Kentucky, the statewide guaranteed base funding level will be computed by dividing the amount appropriated by the prior year's statewide average daily attendance.

702 KAR 7:125 establishes a uniform method of recording pupil attendance, stating that daily attendance of pupils in middle and high school shall be determined by taking attendance by class period and maintaining an entry and exit log at each school. The regulation also states that pupils shall be physically present to be counted in attendance except under the following conditions:

- The pupil is participating in a co-curricular instructional activity that is authorized by the local board and is a part of the instructional program;
- The pupil is participating in moral instruction or 4-H activities;
- The pupil is participating in an off-site virtual high school class;
- The pupil's mental or physical condition makes attendance in a school setting inadvisable;
- The pupil is court-ordered to receive educational services in a setting other than the classroom; or,
- The student has an IEP that requires less than full-time instructional services.

***Impact of Existing Policy on Desired Changes in Secondary Schools:***

The KBE is considering revision of the *Program of Studies* and high school graduation requirements, introducing new measures of student accountability through end-of-course assessments, and strengthening the accountability system to focus on outcomes rather than processes. Kentucky's districts and schools are working very hard to meet the challenge of substantially increasing graduation rates at the same time that they are holding students accountable and being held accountable themselves for higher levels of performance.

To meet this challenge, districts and schools are adopting a wide range of strategies to build their capacity to meet the diverse needs of students. They are attempting to set aside structure as a first concern and focus on the kinds of instructional programs and services that should be available to their students. In these redesigned schools, instruction is driving the structure of the school rather than structure driving instruction. Most schools are placing intensive focus on increased support to students through two critical transition points: middle to high school and high school to college or work. Student placement and participation are based on timely diagnosis, intervention and continuous assessment, not student selection from a general menu of options.

According to the Bill and Melinda Gates Foundation research on change in high schools, there are three critical elements that districts must include in any promising redesign effort:

1. A portfolio of options for learning;
2. Strong instructional leadership; and,
3. Fairer and more effective financial and human resource utilization.

Examples of the programs and services that districts in Kentucky are pursuing include:

- Alternative programs that allow students to participate through a variety of non-traditional scheduling options, including options in which the student's schedule may vary from week to week;
- Interdisciplinary courses that teach core content through the context of a career pathway or elective, where learning may be taking place in more than one location and on a varying schedule;
- Programs that mingle teachers and students from different schools, or that share a teacher across schools;
- Virtual learning options for credit generation, credit recovery, Advanced Placement or other higher level coursework, including the Kentucky Virtual High School;

- Capstone senior projects and other learning connections to communities of academics or practice beyond the school walls;
- Dual credit and other programs that take place some or all of the time on college campuses or in alternative settings and often on alternate calendars;
- Early and middle college programs that support at-risk or struggling students to persist to a diploma and a two-year associates degree within 5 years;
- A variety of performance-based options and incentives that allow students to earn credits in non-traditional ways, including those that allow students more or less time according to their individual needs;
- Early graduation for students who are ready to transition to college or work before their scheduled date of graduation;
- Extension of time to graduation for students who require more than the traditional four years to complete a successful transition.

These models illustrate how approaches being implemented in schools require great amounts of flexibility in time and place and do not fit with the Carnegie Unit based structure. Districts are hesitant to pursue these more flexible options on a wide scale because they will lose funds when seat time cannot be calculated to meet the current funding formula. Even though some districts have obtained a waiver to establish a new program, the administrative burden and fear of being out of compliance with regulation can stifle new initiatives.

The Department is recommending that the Kentucky Board of Education consider options for funding secondary schools that would be based on student participation in performance-based credit options or the school is participating in a program approved by the Commissioner of Education in which graduation requirements are based on standards and performance rather than on time and Carnegie Units. The specific language is found on page 6 of the attached regulation in Section 7(g) and (h).

#### **Policy Issues:**

1. KDE staff recommends providing a funding option that would allow schools to earn average daily attendance (ADA) for students involved in other types of credit-bearing educational opportunities. Does the KBE concur?
2. KDE staff recommends the addition of the two provisions to Section 7 of 702 KAR 7:125 to address additional funding opportunities. Does the KBE concur?

#### **Impact on Getting to Proficiency:**

A high school diploma is essential. The Kentucky Board of Education has challenged schools to reach 100% graduation rate by 2014. Research tells us that to increase graduation rates at the same time that expectations for all students are being raised, districts and schools need to offer a portfolio of learning options. The current basis of funding is functioning as a barrier to implementation of expanded learning options in many districts. Adoption of a basis of funding that is more conducive to flexible programming will help districts and schools meet the challenge of bringing all students to proficiency.

**Groups Consulted and Brief Summary of Responses:**

The Local Superintendents Advisory Council will review the draft regulation at its September 27 meeting and forward its input to the KBE via a letter from that body.

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**Deputy Commissioner**

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**Commissioner of Education**

**Date:**

October 2005